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TO: A. Sinha **DATE:** June 13, 1994

FROM: N. Nicholes

SUBJECT: Basic Menthol SBO Market Analysis

Background

In an effort to determine which markets should receive the Basic Menthol SBO, I conducted an SDI analysis to determine menthol category and brand development by market. In this analysis I looked for markets with not only strong menthol category development but also development of particular segments (lights or full flavor) and brands (Newport, Kool, Salem).

There are several different ways we might design our SBO program. We could have an overall menthol SBO which would include all four Basic packings and would be delivered to those markets with strong (120+) menthol category development. We could have a full flavor menthol SBO which would include the Basic full flavor menthol kings and 100's packings and would be delivered only to those markets with high full flavor development (120+). Lastly, we could have a lights menthol SBO which would include the Basic lights menthol kings and 100's pakcings and would be delivered only to those markets with high lights category development (120+). All three of these programs could be used in tandem to create a more strategic approach.

Overall Menthol SBO

This menthol SBO would include all four Basic menthol packings and would be delivered to markets with strong menthol category or specific menthol brand development (120+), 34 markets in total. Those markets are:

STRONG MENTHOL MARKETS:

1HO NEW YORK	1I0 PHILADELPHIA	2A0 BALTIMORE
2B0 WASHINGTON	2F0 COLUMBIA	2L0 SAVANNAH
3A0 ST. LOUIS	3D0 MEMPHIS	3E0 JACKSON
3G0 NEW ORLEANS	4A0 PITTSBURGH	4B0 CLEVELAND
4F0 DETROIT	4L0 CHICAGO	4Q0 MILWAUKEE
5K0 HAWAII		

STRONG NEWPORT MARKETS (Otherwise not as strong menthol markets):

1B0 BOSTON	1C0 HARTFORD	1D0 RHODE ISLAND
1E0 ALBANY	1F0 SYRACUSE	1G0 BUFFALO
1J0 HARRISBURG	2C0 RICHMOND	2D0 RALEIGH/DURHAM
2J0 ATLANTA		

STRONG KOOL MARKETS (Otherwise not as strong menthol markets):

2K0 BIRMINGHAM	2N0 PENSACOLA	3H0 LAKE CHARLES
4G0 GRAND RAPIDS		

STRONG SALEM MARKETS (Otherwise not as strong menthol markets):

1J0 HARRISBURG	2C0 RICHMOND	2D0 RALEIGH/DURHAM
2E0 CHARLOTTE	2G0 GREENVILLE	2J0 ATLANTA
4C0 COLUMBUS	4H0 TOLEDO	

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Source: https://www.industrydocuments.ucsf.edu/docs/kkxm0004

Menthol Full Flavor SBO

This SBO would include the Basic full flavor menthol kings and 100's packings and would be delivered to markets with high full flavor menthol category or specific brand development (120+), 34 markets in total. Those markets are:

STRONG FULL FLAVOR MENTHOL MARKETS:

1C0 HARTFORD	1H0 NEW YORK	1I0 PHILADELPHIA
2A0 BALTIMORE	2B0 WASHINGTON	2C0 RICHMOND
2F0 COLUMBIA	2J0 ATLANTA	2L0 SAVANNAH
2N0 PENSACOLA	3A0 ST LOUIS	3D0 MEMPHIS
3E0 JACKSON	3G0 NEW ORLEANS	4A0 PITTSBURGH
4B0 CLEVELAND	4F0 DETROIT	4L0 CHICAGO
4Q0 MILWAUKEE	5K0 HAWAII	

STRONG NEWPORT FULL FLAVOR MARKETS (Otherwise not as strong full flavor menthol markets):

1B0 BOSTON	1D0 RHODE ISLAND	1E0 ALBANY
1F0 SYRACUSE	1G0 BUFFALO	1J0 HARRISBURG
2D0 RALEIGH/DURHAM		

STRONG KOOL FULL FLAVOR MARKETS (Otherwise not as strong full flavor menthol markets):

2K0 BIRMINGHAM	3H0 LAKE CHARLES	3Q0 HOUSTON

STRONG SALEM FULL FLAVOR MARKETS (Otherwise not as strong full flavor menthol markets):

2E0 CHARLOTTE	2G0 GREENVILLE	2M0 JACKSONVILLE
3H0 LAKE CHARLES	3S0 SAN ANTONIO	

Menthol Lights SBO

This SBO would include the Basic lights menthol kings and 100's packings and would be delivered to markets with high lights menthol category, or specific menthol lights brand development (120+), 23 markets in total. Those markets are:

STRONG MENTHOL LIGHTS MARKETS

1J0 HARRISBURG	2D0 RALEIGH/DURHAM	3A0 ST. LOUIS
3G0 NEW ORLEANS	3H0 LAKE CHARLES	4A0 PITTSBURGH
4E0 SAGINAW	4F0 DETROIT	4G0 GRAND RAPIDS
4H0 TOLEDO	4N0 GREEN BAY	4Q0 MILWAUKEE
5K0 HAWAII		

STRONG NEWPORT LIGHTS MARKETS (Otherwise not as strong menthol lights markets):

1B0 BOSTON	1C0 HARTFORD	1D0 RHODE ISLAND
1E0 ALBANY	1F0 SYRACUSE	1G0 BUFFALO
1H0 NEW YORK	1I0 PHILADELPHIA	2A0 BALTIMORE
2B0 WASHINGTON	4L0 CHICAGO	

STRONG KOOL LIGHTS MARKETS (Otherwise not as strong menthol lights markets):

2B0 WASHINGTON	2K0 BIRMINGHAM	3D0 MEMPHIS
3E0 JACKSON	4I0 INDIANAPOLIS	4L0 CHICAGO
4M0 PEORIA		

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Source: https://www.industrydocuments.ucsf.edu/docs/kkxm0004

STRONG SALEM LIGHTS MARKETS (Otherwise not as strong menthol lights markets):

2A0 BALTIMORE	2B0 WASHINGTON	2C0 RICHMOND
2E0 CHARLOTTE	2F0 COLUMBIA	2G0 GREENVILLE
2J0 ATLANTA	4B0 CLEVELAND	4C0 COLUMBUS
4L0 CHICAGO	4M0 PEORIA	

I recommend doing a combination of these three programs and tailoring the SBO to fit the market strengths.

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Source: https://www.industrydocuments.ucsf.edu/docs/kkxm0004